

Minutes of a Special Finance Committee Meeting

The Finance Committee of the McLean County Board held a special meeting on Tuesday, October 8, 2008 at 1:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, Illinois.

Members Present: Vice Chairman Owens, Members Moss, Butler, Clark and Rackauskas

Members Absent: None

Staff Present: Mr. John Zeunik, County Administrator, Mr. Terry Lindberg, Assistant County Administrator; Mr. Bill Wasson, Director, Administrative Services and Ms. Jude LaCasse, Assistant to the County Administrator

Elected Officials/
Department Heads: Mr. Lee Newcom, County Recorder; Ms. Charlene Stanford, Director, Bloomington Election Commission; Mr. Bob Kahman, Supervisor of Assessments; Mr. Bob Keller, Health Department Administrator; Mr. Greg Koos, Director, McLean County Historical Museum; Ms. Joan Naour, Director, Correctional Health Service; Ms. Jennifer Ho, Risk Management; Mr. Jerry Vogler, Director, Veterans Assistance Commission

Others Present: Ms. Connie Clifford, Chief Deputy, Supervisor of Assessments; Mr. Walt Howe, Assistant Administrator, Health Department;

Vice Chairman Owens called the meeting to order at 1:00 p.m.

Vice Chairman Owens stated that this is a special meeting of the Finance Committee to review FY'2009 Recommended Budgets for County offices and departments under the oversight of the Finance Committee.

Mr. John Zeunik, County Administrator, stated that most of the departments and offices under the oversight of the Finance Committee are scheduled for review at today's meeting. He noted that the Departments are listed in the order as they appear in the Budget Book.

County Recorder – 0001-0006 can be found on pages 24-26 of the FY'2009 Recommended Budget and pages 1-4 of the Summary. Mr. Zeunik reported that the Revenue decreased from \$1,073,000.00 in the FY'2008 Adopted Budget to \$1,022,000.00 in the FY'2009 Recommended Budget, which is a -4.75% decrease. This decrease is a result of the overall economy, though McLean County is somewhat removed from the dramatic downturns that have occurred in other areas of the Country.

Mr. Zeunik pointed out the following revenue changes:

410.0029 Recording Fees line item account decreased from \$600,000.00 in the FY'2008 Adopted Budget to \$550,000.00 in the FY'2009 Recommended Budget. This is based on a review of last year's actual revenues and the year-to-date revenue (\$367,025.00) received as of the date the Recommended Budget was prepared.

410.0032 Sales of Revenue Stamps line item account has been budgeted in the FY'2009 Recommended Budget at the same amount as in the FY'2008 Adopted Budget - \$425,000.00. This is based on the year-to-date revenue (\$250,073.00) received as of the date the Recommended Budget was prepared.

410.0195 Rental Housing Support line item account was added in FY'2005 to account for the County's share of the new fee that is being collected pursuant to Public 94-0118. The Recorder's Office collects an additional \$10.00 fee and remits \$9.00 to the State for a statewide rental housing program administered by the Illinois Housing Development Authority. The Recorder's Office is permitted to retain \$1.00 of this new fee. This line item account has been budgeted at the same amount as in the FY'2008 Adopted Budget - \$35,000.00. This is based on the year-to-date revenue (\$21,723.00) received as of the date the Recommended Budget was prepared.

Mr. Zeunik advised that the biggest change on the expenditure side is, as Mr. Newcom has discussed with the Committee and the Administrator's Office, the need to move personnel out of the Recorder's Document Storage Fund 137 and into the General Fund.

The staffing level has increased from 3.60 FTE in the FY'2008 Adopted Budget to 5.00 FTE in the FY'2009 Recommended Budget. This increase results from shifting 1.40 FTE positions from the Recorder's Document Storage Fund 0137 to the Recorder's Office General Fund Budget. The following changes were made in the FTE staffing level:

- Chief Deputy Recorder – Increase from 0.85 FTE to 1.00 FTE.
- Office Support Specialist II – Increase from 0.75 FTE to 1.00 FTE.
- Office Support Specialist I – Increase from 1.00 FTE to 2.00 FTE.

The FTE Staffing level in the Recorder's Document Storage Fund is reduced by 1.40 FTE positions.

Mr. Zeunik pointed out the following changes:

- 620.0001 Operating/Office Supplies line item account has decreased from \$6,500.00 in the FY'2008 Adopted Budget to \$5,500.00 in the FY'2009 Recommended Budget. This decrease is based on a review of last year's actual expenses and the year-to-date expenses as of the date the Recommended Budget was prepared.
- 628.0001 Copying Expenses line item account has decreased from \$3,500.00 to \$1,500.00.
- 629.0001 Letterhead/Printed Forms line item account has decreased from \$2,200.00 to \$1,500.00.

Mr. Zeunik noted that Contractual expenses are up slightly. Many of the other accounts are budgeted at the same level as in 2008.

Mr. Zeunik pointed out a significant increase in the Fringe Benefit expense. There are two factors that caused this increase. The first is the result of the increase in FTE's. The Employee Medical/Life Insurance expense, this year, is budgeted at \$3,800.00 per Full-Time Equivalent Employee (FTE), so there is an increase of 1.4 FTE's in the General Fund plus the increase from \$3,400.00 per FTE this year to \$3,800.00 per FTE next year.

Mr. Newcom indicated that he was aware that this was a difficult year for the County and made every attempt to make cuts in his budget.

Mr. Moss asked why is the Chief Deputy Recorder's salary going down. Mr. Newcom replied that there will be a change in personnel in that position and the new person will be paid at a slightly lower rate.

Mr. Butler asked if the change will take place even if the current Chief Deputy Recorder does not win the elected office for which he is running. Mr. Newcom replied that there will still be a change in the position.

Mr. Clark asked why did the cost for Schooling and Conferences increase. Mr. Newcom replied that it will be necessary for the new Chief Deputy Recorder to attend Statewide conferences. Attending these conferences within the State will help the Chief Deputy better understand the duties and responsibilities of the office.

Motion by Clark/Rackauskas to recommend tentative approval of the County Recorder's Office – (0001-0006) FY'2009 Recommended Budget as submitted.
Motion carried.

County Recorder Document Storage Fund – 0137-0006 can be found on pages 27-30 of the FY'2009 Recommended Budget and pages 5-7 of the Summary. Mr. Zeunik advised that the Document Storage Fund is a Special Revenue Fund that has been established to properly account for the receipt and expenditure of the Document Storage Fees assessed and collected by the Recorder's Office. As a Special Revenue Fund, the fund must be balanced by using the fees collected and the available Fund Balance. Mr. Zeunik noted that there are two sources of revenue, namely the Document Storage Fee and the Unappropriated Fund Balance.

Mr. Zeunik advised that the Revenue has decreased from \$417,464.00 in the FY'2008 Adopted Budget to \$136,030.00 in the FY'2009 Recommended Budget, which is a 73.11% decrease. He noted this decrease is a reflection of last year's actual year-to-date and also a reflection of the activity in the office.

Mr. Zeunik stated that the major change in this budget is in personnel. As previously indicated, 1.4 FTE's will be moved, reducing the budgeted FTE's from 3.82 FTE's to 2.42 FTE's, which reflects the decrease in the salary expense. Because this is a Special Revenue Fund and must be balanced within the Fund, all of the other expenses have been adjusted to balance the projected revenue to the projected expenses.

Mr. Lee Newcom, County Recorder, made the following presentation/statement:

“On the occasion of the passage of the Recorder's Office 2009 budget, I am placing in the record this statement of my concern with the use of the Document Storage Fund.

State statute dictates the responsibility of the County Board to provide for the funding of office expenses, including payroll. Implicit in this legislative mandate is that the office expenses come from the County General Fund. I would note that in recent years the Recorder's Office has an annual income to the General Fund of around \$1 million, and draws out of that fund office and payroll expenses of around \$200-250,000, a considerable profit paid to the County from the operations of my office and a zero draw on the taxes collected by the County.

The 0137 Document Storage Fund is above and beyond that \$1 million dollars income and exists by state legislative mandate. It is a special charge of \$3 placed on documents filed in our office, to fund specific needs of the Recorder's office. By statutory mandate this fund is to pay for the electronic recording system in the office, digital access to our records and long term preservation of the records of the office. In 2007 the annual income of this fund was \$141,188.

Over twenty years ago the County Board began using a portion of this fund for payroll, based on the need to convert paper record keeping to electronic record keeping. As the years went on and this fund began to expand in value, at one point up to \$1 million, the board added additional payroll to it. This was in the taxpayer's interest and represented responsible government at the time. However, the Recorder at that time neglected to use the funds for their intended purpose, records preservation, and a price was paid. Last year, while severe preservation issues still need to be addressed, 60% of the income of this fund was used for payroll.

The Recorder's Office is unique in that our records are used daily, up to 100 years after they are created. Every land transfer, residential, commercial and governmental, is recorded in our office. The typical land records search for a residential sale or mortgage is 35 years and up to 100 years for commercial properties. Surveyors use the plat and monument records all the way back to 1831. Our records must be searchable, transparent and usable all the way back to 1831 and far into the future, long after everyone now working for the county is long gone. Unfortunately, given the deteriorating condition of some of these records, we are in danger of losing them and search capability in our office becoming severely compromised.

On becoming Recorder, in 2004, I noted many of these needs and remarked on them a number of times in Finance Committee meetings. I embarked on an aggressive program to catch up where office services had fallen behind and to preserve and make available records. We have succeeded. In the past three years we have:

- Made all records from 1971 to current available for electronic search, on line, including the document images. This has been an important addition to making McLean County competitive for the title and lending business and results in lower costs and better financial products for our residents.
- We have duplicated and preserved all of the microfilm from 1971 to current, saving this asset from its deteriorating condition.
- We will complete a project by year's end to redact from view all Social Security numbers on documents we have in electronic images.
- A project is underway to index and make usable over 75,000 documents from past years which were stamped as recorded, imaged, but never actually recorded in our systems. For all purposes, it is as if those documents never existed, until now.

These advances in the office have been very beneficial to the county and are our mandate in the Recorder's office. Unfortunately, the next steps in the process are being cancelled for 2009 because of the balance available in the Document Storage Fund. Projects to have been accomplished this next year, which have been cancelled, include:

- Completing the copying of deteriorating microfilm of records from 1971 back to 1831.
- Rescanning of book land records where images are not now readable. As a result of the low quality of these images, searchers are commonly placing these historically significant and fragile books on photocopiers to get the image they need. This is gradually destroying these valuable books.
- The planned video security system for the office, used to prevent mortgage fraud schemes, will probably not be installed.

- An inventory from past years of more than 25,000 documents, which were stamped but never actually recorded, will remain unrecorded and unsearchable.

Over the past three budget cycles I have advocated weaning General Fund payroll use from this fund so that these projects would be properly funded, as this fund is supposed to. Because my recommendations were not followed, these projects have now been cancelled, to the detriment of the county's citizens. I have extreme respect for the Administrator's Office and the County Board and the pressures on you to have produced a more disciplined budget for 2009. Given the strong financial return to the General Fund from the Recorders office, by nearly 3 times our expenses, and the special nature of the 0137 fund, it is my strong opinion that the neglect of these Recorder's office records in 2009 is most unfortunate. It is my strong opinion that the 2010 Recorder's 0137 Document Storage Fund budget should not include any payroll expenses."

Mr. Newcom expressed his strong concern that payroll is a General Fund expense. A Special Fund is allocated by the Legislature to accomplish specific projects. Fund 0137 was specifically funded for computer automation of the office and the document storage needs. Mr. Newcom advised that instead that money is being used for payroll. He noted that, 20 years ago, the Finance Committee made the correct decision to use the funds for legitimate purposes of the offices, including payroll. However, Mr. Newcom stated that this fund should no longer be used for general fund purposes, and used for the needs it was specifically targeted.

Ms. Rackauskas asked when did the fund start being used for payroll. Mr. Zeunik replied this has been a practice for over 20 years. He stated that this decision was based upon a 1992 legal opinion issued by the Attorney General, as follows:

"In order to convert the County Recorder's documents to computers or micrographics, some person or persons must enter the information into the computer or micrographic system. Thus, services of personnel are necessary to implement and maintain the system. Therefore, to the extent that personnel are engaged in entering the information into the Recorder's Document Storage System, it is my opinion that their compensation may properly be paid from the proceeds of the Document Storage System."

Mr. Zeunik advised that this is the basis upon which this has been done. Over the years, the amount of personnel expense that has been budgeted in the fund has changed. Mr. Zeunik noted that it changed during Mr. Newcom's predecessor's

term in office because there was a huge housing boom in terms of sales and refinancing. He indicated that additional support personnel were provided to the office because of the huge volume of work to be processed. The Finance Committee, at that time, with the support of the Recorder, added an additional Office Support Specialist in the Document Storage Fund. Mr. Zeunik stated that, during Mr. Newcom's term in office, some of the expense for the Chief Deputy Recorder was shifted into this fund. There has been a practice in McLean County, for more than 20 years, where certain personnel expenses associated with the Recorder's Office have been budgeted in this fund based on the acknowledgement by the Attorney General that a portion of the work being done is directly related to document storage.

Mr. Zeunik indicated that Mr. Newcom is trying to provide a records storage medium beyond what the office has ever done before. He noted that the Committee and the Board agree with Mr. Newcom's assessment that this extensive document storage must be done. This new document storage project is the major difference between what was happening with the Fund previously versus what is happening today. Mr. Zeunik stated that in order to provide funds for Mr. Newcom to go forward with this project, the decision was made to begin transitioning personnel expenses out of this fund into the General Fund. He noted that this effort will continue into 2010. Mr. Zeunik pointed out that it will take a while to build the Fund back up to a level where it was when Mr. Newcom took office, particularly if the housing situation does not improve.

Ms. Rackauskas asked if the personnel in the Recorder's Office are cross-trained.

Mr. Newcom responded to Mr. Zeunik's comments, noting that the Attorney General's opinion, written in 1976, referred to conversion. At that time, everything was recorded manually in books that were then being converted to electronic records. Mr. Newcom noted that there was a large expense in converting the documents. He indicated that the conversion is largely over. The need today is for preservation of the documents.

Mr. Newcom then responded to Ms. Rackauskas' question. He stated that each person in the office can do all of the steps involved in recording documents. However, every employee performs one step in the process. Mr. Newcom gave a brief explanation on the process of recording documents. He noted that the work done in the Recorder's Office today is the daily entry of the documents that come into the Office.

Mr. Newcom pointed out that, by Statute, he has veto authority on this fund. However, that authority has never been tested in Court. Mr. Newcom believes that if a Recorder decided to test it in Court, the Supreme Court would say that the Recorder can veto usage of the fund because the Statute allows the Recorder to do so.

Mr. Newcom advised that the statute, under ILCS 55, which covers his office, identifies how he is to do his job and how the County Board is to do the job of supporting the job of the Recorder. The Statute says that the County Board is to provide for the expenses of the Recorder's Office, including personnel. This particular Fund was created as an additional fee to pay for the computer system of the office and to provide for the long-term document storage needs. Mr. Newcom reported that the Recorder's Office has been neglected for many decades and preservation of documents has become necessary. Mr. Newcom declared that the Recorder's Office needs the money in the Document Storage Fund for preservation of deteriorating documents.

Mr. Newcom expressed his respect and appreciation for the County Board and the County Administrator's Office.

Mr. Newcom indicated that he would like to see all payroll eliminated from this Special Fund by next year so that it can go back to its original purpose. In future years, when the preservation needs are met, the dissemination of funds can be discussed further.

Mr. Newcom stated that he is mandated, by his office, to protect the records, and those records are not being protected because the monies available to protect them are being used for payroll.

Mr. Butler asked how much money will it take to protect the documents. Mr. Newcom replied that it would take approximately \$75,000.00-\$100,000.00.

Mr. Butler suggested that the renovation of the documents be done in phases. Mr. Newcom replied that it would be too expensive to phase in the renovation project over a long period of time.

Ms. Rackauskas asked Mr. Zeunik if there is a way to phase the payroll expense back into the County's General Fund. Mr. Zeunik responded that the goal is to phase the balance of personnel out of the Document Storage Fund and into the General Fund by 2010.

Mr. Zeunik advised that the Board, over the years, has managed to provide for the programs and services in the General Fund and to provide additional services, by using the Special Revenue fees and Special Revenue funds to offset personnel expenses where it is permitted by law to do so.

Ms. Rackauskas pointed out that to provide Mr. Newcom with funds for his Special Use Fund, it would become necessary to cut monies from another area in the General Budget. Mr. Zeunik responded that there is a 1.67% overall increase in all of the County offices and departments in the General Fund.

Mr. Newcom thanked the Committee for their consideration.

Vice Chairman Owens advised that his goal, as a Board member, is to see the payroll be phased out of the Recorder's Document Storage Fund in two years. Mr. Newcom replied that, based on the severe needs in the Recorder's Office, he would not be happy with that. He feels payroll needs to be removed by next year.

Motion by Butler/Rackauskas to recommend tentative
Approval of the County Recorder Document Storage
Fund – (0137-0006) FY'2009 Recommended Budget
as submitted.
Motion carried.

County Recorder GIS Fees Fund – 0167-0006 can be found on pages 31-32 of the FY'2009 Recommended Budget and pages 8-9 of the Summary. Mr. Zeunik explained that, pursuant to Illinois law, the County Board approved and authorized the County Recorder to collect a \$5.00 GIS fee. The GIS fee is remitted as follows: \$4.00 to the GIS Fees Fund 0167 and \$1.00 to the Recorder's Document Storage Fee Fund 0137. The fees remitted to the GIS Fees Fund are to be used to support the Countywide GIS (Geographic Information System) development project that is being managed by the Regional Planning Commission.

Mr. Zeunik stated that there are no changes in this Fund next year. He added that the revenue is tracking at the same rate as last year, so the proposed budget of \$180,000.00 remains intact.

Mr. Zeunik indicated that the GIS Fund supports two activities, as follows:

- The Regional Planning Commission, which is responsible for maintaining the County-wide GIS System that is used by all three local governments as well as Normal and Bloomington Township.
- The County's development of GIS for County offices and departments.

Motion by Clark/Rackauskas to recommend tentative approval of the County Recorder GIS Fees Fund – (0167-0006) FY'2009 Recommended Budget as submitted.

Motion carried.

Bloomington Election Commission – 0001-0048 can be found on pages 157-159 of the FY'2009 Recommended Budget and pages 10-11 of the Summary. Pursuant to Illinois law, the County is required to fund the expense of the City of Bloomington Election Commission. This requirement was imposed on the County when the separate property tax levy for the conduct of elections were abolished.

Mr. Zeunik reported that the revenue is proposed, again, to be \$100,000.00 coming back to the County in 2009.

Mr. Zeunik noted that there is no proposed change in the staffing level.

Mr. Zeunik stated that, pursuant to Illinois law, the County is required to increase the expense reimbursement proportionate to the increase in the County's adjusted equalized assessed value. He projected a 5% increase next year. The increase in line item account 775.0001 Election Expense Reimbursement is a 5% increase over this year.

Ms. Char Stanford, Director, Bloomington Election Commission, shared some concerns with difficulties that the Bloomington Election Commission is having receiving information from the County Clerk. She noted that the Bloomington Election Commission tries to work in conjunction with Ms. Milton. Ms. Stanford cited problems with the transfer of voter registration records from the County Clerk.

Ms. Stanford indicated that, after requesting permission for months, the County Clerk allowed staff from the Bloomington Election Commission to go to her office to pull Bloomington addresses today.

Ms. Stanford advised that on Election Day in February there were over 100 people not allowed to vote because Ms. Milton had placed, in her records, that the people had moved to Bloomington, but did not transfer their records to the Bloomington Election Commission. Ms. Stanford indicated that, for this Election, they have requested that the County Clerk provide them with a list of all cancelled records. Anyone who has moved to Bloomington will be put on a list and those records will be requested from the County Clerk. The last list the Election Commission received, 30 people were pulled. Out of that 30, 26 had sent in a change of address form that requires Ms. Milton to transfer them to the Commission. Two of those people actually had brand new registration forms that were made out for the City of Bloomington that were attached to her former records and put into the suspend drawer. As a result, the Election Commission did not get those new records.

Ms. Stanford stated that they receive complaints from voters daily. She noted that she had received no information from the County Clerk. Ms. Stanford indicated that it is necessary for them to go down to the County Clerk's Office to do the research. She noted that she has been told that the County Clerk's staff is too strained and they don't have the time. Therefore, Ms. Stanford's staff does the research.

Ms. Stanford asked that these problems be placed on record. She also informed the Committee that the Bloomington Election Commission does a very good job of running the elections. She added that they do it economically as everything is done in-house without using a third-party contract vendor.

Vice Chairman Owens asked Ms. Stanford if her requests to Ms. Milton were in the form of e-mail or written form. Ms. Stanford replied that they send requests by e-mail. She added that, four years ago, she thought they had an agreement with the County Clerk, but that changes daily. Ms. Stanford concluded that it has been very difficult to work with the County Clerk's Office. However, she noted that the County Clerk's staff has been wonderful and they understand that the Bloomington Election Commission is there to provide service to the voters in McLean County. Ms. Stanford advised that, if the County Clerk is aware that her staff is assisting the Bloomington Election Commission, there are problems. She pointed out that she no longer tells Ms. Milton that her staff is doing a good job because it creates problems for those employees.

Ms. Stanford acknowledged that there is a personality conflict between Ms. Milton and herself. Ms. Stanford noted that this is not the problem; the problem is providing assistance to the citizens of McLean County.

Ms. Rackauskas asked if the County Administrator's Office has been aware of this conflict. Mr. Zeunik replied that Ms. Stanford has shared her frustration with staff in the Administrator's Office. He stated that the difficulty is that this is a County-wide elected official. Elected officials have internal control over their office and they are charged with running their office in accordance with the Statutes.

Ms. Stanford offered to provide some of the Certifications she has received from the County Clerk. Ms. Stanford stated that the County Clerk is mandated by law, as follows: "Any County Clerk with a Board of Election Commission is supposed to send their certification with the political party affiliation of each candidate. If there is more than one candidate to be elected that is to be stated. If the voter has the right to vote for more than one candidate, that is to be stated, and the term of office and if it is to fill a vacancy."

Vice Chairman Owens advised that this information is not pertinent to the budget consideration. He asked that, with the consent of the Committee, this discussion be postponed to a Finance Committee Meeting in the future, such as December, and the County Clerk can also be present. Vice Chairman Owens expressed his appreciation to Ms. Stanford for her comments and concerns.

Vice Chairman Owens asked for a motion to accept the Bloomington Election Commission budget.

Motion by Clark/Rackauskas to recommend tentative approval of the Bloomington Election Commission FY'2009 Recommended Budget as submitted.
Motion carried.

Supervisor of Assessments – 0001-0049 can be found on pages 160-164 of the FY'2009 Recommended Budget Book and pages 12-15 of the Summary in the Agenda Packet. Mr. Zeunik stated that the change in the Revenue reflects the salary reimbursement from the State of Illinois for the Supervisor of Assessment's salary. The transfer in the amount of \$33,849.00 will cover the salary expense of the GIS Technician position.

Mr. Zeunik noted that there is no change in the Total FTE staffing level. However, there are two individuals in the office who are likely to take advantage of the County's Early Retirement Incentive Program sometime after January 1st of next year. Mr. Zeunik indicated that the Supervisor of Assessment has recommended that those positions be changed from what might be viewed today as administrative support to GIS technical positions. The Supervisor of Assessment's

Office has made significant strides in the use of technology and GIS on a daily basis. This would permit the office to assume the responsibility for the annual maintenance of the Cadastral Layer, which is the property record layer of the GIS system. Mr. Zeunik advised that currently we rely heavily on a contract service to do a lot of maintenance and updates of that Cadastral Layer. Over time, this would allow the County to move away from the contractual service and bring more of that in-house.

Mr. Zeunik stated that the Operating Expenses are up 4%, Contractual Services are down and Capital Expenses are down. He noted that the overall budget for the Supervisor of Assessment's Office is 2.23% less than the FY'2008 Adopted Budget.

Mr. Bob Kahman, Supervisor of Assessments, commented on the State of the economy, noting that County taxpayers are looking for some type of relief. He stated that, to give taxpayers the relief they want right now, it would be necessary to shut down a third of all Government because they perceive a third of market value loss. Mr. Kahman indicated that it is impossible to provide the relief they need.

Mr. Kahman advised that the goal of the GIS mapping is to take the Recorder's documents and turn them around into a map that the real world can use in two weeks. He noted that, historically, the work has been sent off to the Sidwell Company. Mr. Kahman added that Sidwell is taking too long to turn the material around. He informed the Committee that the Assessor's Office has been building the GIS program in-house. By taking advantage of staff retirements, it will be possible to hire and retrain employees to keep up with the automation needs of today.

Vice Chairman Owens asked if the increase in Schooling and Conferences is to keep up with the necessary training. Mr. Kahman replied that the plan is to have two GIS employees who will need additional training. Ms. Clifford added that there are two new employees who need some training, as well as two new Board of Review members.

Motion by Moss/Butler to recommend tentative approval of the Supervisor of Assessments – (0001-0049) FY'2009 Recommended Budget as submitted.
Motion carried.

Historical Museum – 0134-0072 can be found on pages 233-234 of the FY'2009 Recommended Budget and pages 27-28 of the Summary. Mr. Zeunik indicated that the proposed tax levy increases from \$63,807.00 in the FY'2008 Adopted Budget to \$66,216.00 in the FY'2009 Recommended Budget, which is a 3.78% increase over last year. Pursuant to Chapter 55, Illinois Compiled Statutes (2006), Section 5/6-23001, the County Board is authorized to levy a property tax not to exceed 2/10ths of one cent per \$100.00 of equalized assessed valuation to support the operation of the McLean County Historical Museum.

Mr. Greg Koos, Director, McLean County Historical Society, remarked that the partnership that exists between McLean County and the Museum of History has created a dynamic use for the Old Courthouse Building. He indicated that the \$66,216.00, which the County provides is done through a contractual relationship that is tied in with the 30-year lease that the Museum has on the building. Mr. Koos stated that some financial support will go a long way to allow the Museum of History to operate the programs. The general core idea of this relationship is that McLean County cares for the building and the History Museum makes sure there are first-rate programs created for the people of McLean County. Mr. Koos indicated that the \$66,216.00 will be leveraged into a total budget of \$750,000.00, the bulk of the budget is developed through private philanthropy.

Motion by Rackauskas/Moss to recommend tentative approval of the Historical Museum – (0134-0072) FY'2009 Recommended Budget as submitted.
Motion carried.

Health Department can be found on pages 165-206 of the FY'2009 Recommended Budget and pages 16-26 of the Summary. Mr. Zeunik reported that the Grant Funds are budgeted to balance, based on the projected receipt of grant funds during the County's fiscal year. Mr. Zeunik added that some of the grants received are based on services delivered. He noted that a portion of the Health Department's staff is budgeted on a pro-rata basis throughout the grants, depending upon the activity and work the individuals will be completing.

Mr. Zeunik stated that there are three property tax supported funds, namely Fund #0110, Persons with Developmental Disabilities; Fund #0111 is the T.B. Care and Treatment, and Fund #0112, which is the Health Department's largest fund. He indicated that the Summary in the Agenda packet provides summaries of the three tax-supported funds and an overview of the entire budget that was prepared by Mr. Keller for the Board of Health, which includes a summary of all of the information, as well as the increases and what is driving the increases.

Mr. Keller reported that the Board of Health adopted this budget on September 3rd.

Mr. Keller reviewed his budget, noting that Grant Funds #0102-0107 are derived from revenue and expenditures received from outside sources, such as Public Aid, WIC, etc., which are segregated funds. He stated that some of the personnel assigned to those projects are 100% grant funded or on a pro-rata distribution. Mr. Keller indicated that these funds contain their own revenue and expense statements as well as balance sheets. He pointed out that there are some increases being seen in dental, because of utilization and reimbursement. There are some reductions in the Emergency Public Health Preparedness Programs.

Mr. Keller reported that, as far as the tax levies are concerned, the TB levy will decrease 7.4%, which is largely because of turnover in personnel and some reallocation based upon their cost accounting methodology. He stated that the Persons with Developmental Disabilities Fund 0110 has an overall increase of 2.5% with a 2.38% reduction in the Rate. Mr. Keller indicated that the Health Fund is projected to increase 1.3%, with a rate reduction of 3.4%. The overall increase of those three levies is .9% with a property tax rate reduction just under 4%.

Mr. Keller pointed out that the Animal Control Ordinance has some increased revenue due to the cat registration and vaccination. He noted that there is an increase in vital records fees to comport with the County Clerk's changes.

Mr. Keller advised that a more detailed explanation on the budget can be found in the material available in the Committee packet.

Vice Chairman Owens thanked Mr. Keller for his concise and informative overview of the Health Department budget. Committee members added their appreciation.

Vice Chairman Owens indicated that there will be two motions, one for the grant funds and another motion for the property tax levies.

Motion by Clark/Rackauskas to recommend tentative approval of the Health Department Grant Programs – Funds 102 through 107 FY'2009 Recommended Budget as submitted.
Motion carried.

Motion by Moss/Butler to recommend tentative approval of the Property Tax Supported Health Department Funds: Persons with Development Disabilities 0110-0061; T.B. Care and Treatment Fund 0111-0061; and Health Department Fund 0112-0061 FY'2009 Recommended Budget as submitted.
Motion carried.

Veterans Assistance Commission – 0136-0065 can be found on pages 249-252 of the FY'2009 Recommended Budget and pages 43-46 of the Summary. Pursuant to Chapter 55, Illinois Compiled Statutes (2006, 5/5-2006), the County Board is authorized to levy a property tax in an amount not to exceed \$0.03 per \$100.00 of equalized assessed valuation in Counties where a Veterans Assistance Commission has been established. Based on the Supervisor of Assessments' estimate of the County equalized assessed valuation, the proposed tax levy would result in a projected tax rate of \$0.00496 per \$100.00 of equalized assessed value.

Mr. Zeunik reported that the proposed tax levy for FY'2009 is \$169,256.00, which represents an increase of 6.38% over the FY'2008 Adopted Budget. He noted that there is no change in the staffing level.

Mr. Zeunik stated that many of the Commodities and Materials and Supplies accounts and the Contractual Accounts are budgeted at the same level or less as in 2008.

Mr. Zeunik reported that line item account 779.0002 Veterans Emergency is a large part of the budget. He noted that this line item account has increased from \$61,000.00 in the FY'2008 Adopted Budget to \$64,000.00 in the FY'2009 Recommended Budget. This increase is based on the number of veterans seeking emergency assistance. Mr. Zeunik indicated that the number of veterans seeking emergency assistance increases when employers reduce payrolls and when military personnel return to the community from active duty. Mr. Zeunik pointed out that the current economy increases the need for assistance.

Mr. Zeunik stated that, under Purchase of Computer Equipment, there is money budgeted for the replacement of two PC workstations and network printers.

Mr. Vogler stated that the Committee might ask why the Veterans Assistance Commission is asking for an increase from \$61,000.00 to \$64,000.00 in the Emergency Fund, particularly due to the amount spent last year as compared to what was budgeted. He explained that, during the last quarter of last year, no one came into the office for assistance. Also, there is a limit on the amount of assistance each veteran can receive during a 12-month period. Mr. Vogler indicated that a lot of those people fell into that category the last quarter of the year. He added that, once their veterans' benefits are exhausted for the year, the veteran can go to other agencies.

Mr. Vogler advised that the Veterans Assistance Commission has not changed the amount they provide for rent and mortgage assistance since 2003. Previously, they provided \$250.00 per month toward rent or mortgage assistance. Beginning in January, that assistance was changed from \$250.00 to \$275.00 for single veterans and from \$300.00 to \$325.00 for veterans with dependents.

Mr. Vogler distributed a report that he will provide to the Veterans Assistance Commission in two weeks. He pointed out that the FY'2008 Emergency Assistance budget was \$61,000.00. Mr. Vogler noted that the ending balance for that line is \$18,673.00. He added that they have actually spent about \$5,000.00 more already this year, by the end of September, than was spent all of last year. Mr. Vogler explained that this is partly due to the increase and part of it is that some of the folks who exhausted their benefits during the last quarter are now back in the system.

Mr. Vogler stated that the money from the Emergency Assistance account that is not spent is placed into a reserve fund. He expressed concern that this reserve fund has a lot of money in it right now. Mr. Vogler indicated that it is not the purpose of the Veterans Assistance Commission (VAC) to stockpile funds. Therefore, Mr. Vogler recommended that the money in that fund be used to purchase a vehicle. He also informed the Committee that the Veterans Assistance Commission has been working with a veteran who has been moved into the nursing home portion of the Danville VA Medical Center. Mr. Vogler announced that this veteran has a property on the west side of town that, according to his niece, he would like to bequeath to the VAC for all of their assistance. Mr. Vogler stated that he discussed this with Mr. Lindberg who informed him that the VAC cannot accept property due to liability. Mr. Vogler indicated that the veteran's niece told him that the veteran would still like to bequeath the proceeds from the sale of the property to the VAC.

Mr. Vogler advised that if these funds are so bequeathed to the VAC, they will use these funds to purchase a vehicle.

Mr. Vogler stated that a separate account was set up through the County's approval last year for the dedication of a conference room in Sammy Ferrara's name. He noted that there is approximately \$700.00 in donations toward that fund. Mr. Vogler indicated that if the VAC receives the bequest, they would put the funds in that account.

Mr. Vogler pointed out that in the month of September, the VAC staff, using their own vehicles, made ten trips to Peoria taking veterans back and forth. He added that sometimes there are 15 trips a month. Mr. Vogler noted that the staff is not compensated for making the trips, rather, they are provided with a flat amount of \$30.00 for gasoline.

Mr. Vogler asked if it was possible to use the reserve fund for the purchase of a vehicle. Mr. Zeunik explained that the reserve fund is the Unappropriated Fund Balance, which, because this is a separate, dedicated fund, can only be used for the Veterans Assistance Commission. If, at the end of the year, they don't use all of the money budgeted, the money goes into the Unappropriated Fund Balance. Mr. Zeunik advised that it would be possible to use the funds to purchase a vehicle. It would require a budget amendment where money would be pulled from the Unappropriated Fund Balance and added into the budget for that specific purpose.

Mr. Vogler stated that he would rather purchase the vehicle without using the funds from reserve funds. He noted that, in future budgets, it would be appropriate to look in the fund balance and decide what is a reasonable amount to keep in the reserve fund and, possibly, start reducing the Emergency Assistance request in the budget and draw down that fund.

Ms. Rackauskas indicated that she sits on the Regional Transportation Organization that coordinates transportation needs of citizens in five Counties. She recommended that Mr. Vogler look into this program to see if the travel needs of the County veterans fall under this purview. Mr. Vogler replied that he will investigate this opportunity.

Vice Chairman Owens advised that the reserve funds, which is the Unappropriated Fund line item, is currently a little over \$90,000.00. This fund can be used for the purpose of a vehicle.

Mr. Vogler expressed his appreciation to the Auditor's Office and the Recorder's Office.

Mr. Moss asked if there is a way for the veteran, who wanted to bequeath his home to the VAC, to sell the home and gift the proceeds of the sale to the VAC. Mr. Lindberg replied that this would be the plan. Mr. Vogler stated that the niece plans to sell the property and give the money to the VAC. He recommended that the proceeds of the sale be placed in the same account as the one for the Sammy Ferrara conference room dedication.

Motion by Moss/Rackauskas to recommend tentative approval of the Veterans Assistance Commission – (0136-0065) FY'2009 Recommended Budget as submitted.
Motion carried.

Tort Judgment Fund – Juvenile Detention Health – 0135-0077 can be found on pages 235-237 of the FY'2009 Recommended Budget and pages 29-31 of the Summary. Mr. Zeunik explained that this is the medical services component of the Juvenile Detention Center. He noted that there is a small amount of revenue dollars of \$3,500.00, which reflects the reimbursement received for medical care provided to juveniles detained at the Juvenile Detention Center, including in-County and out-of-County youth. Mr. Zeunik indicated that the growth is directly related to the fact that the census at the Juvenile Detention Center has been up.

Mr. Zeunik reported that there is no change in the FTE staffing level. There is one full-time registered nurse and one part-time nurse to cover when the full-time nurse is on vacation.

Mr. Zeunik indicated that the Commodities have decreased.

Mr. Zeunik reported that line item account 622.0001 Medical/Nursing Supplies decreased from \$1,250.00 in the FY'2008 Adopted Budget to \$900.00 in the FY'2009 Recommended Budget. This decrease is based on a review of last year's actual expenses and the year-to-date expenses as of the date the Recommended Budget was prepared.

Mr. Zeunik stated that the only increase under Contractual is line item account 706.0001 Contract Services, which increased from \$40,527.00 to \$41,873.00. This increase reflects the annual increase in the contract with OSF St. Joseph Physicians Group for the physician service provided and the annual increase in the hourly rate for the mental health therapist.

Mr. Zeunik pointed out a new line item account, 793.0001 Non-Contractual Services, which is the amount paid for the pick-up and disposal of bio-medical waste products. The Auditor's Office requested that this be listed under Non-Contractual Services since there is not a formal contract with the vendor. Mr. Zeunik pointed out that most of the children at the Juvenile Detention Center are healthy.

Motion by Clark/Butler to recommend tentative approval of the Tort Judgment Fund – Juvenile Detention Health – (0135-0077) FY'2009 Recommended Budget as submitted.
Motion carried.

Tort Judgment Fund – Correctional Health Services – 0135-0077 can be found on pages 238-242 of the FY'2009 Recommended Budget and pages 32-36 of the Summary. Mr. Zeunik advised that 100% of the Property Tax Levy is budgeted in this program. He indicated that there is no reason for that; it is just where it happens to be. Mr. Zeunik stated that you could just as easily take that \$2,452,141.00 and allocate it among the four programs based on the percentage of the total cost. That amount, along with the other revenue that comes into Tort Judgment, is what balances the budget for the entire Tort Judgment Fund. Mr. Zeunik reported that the total operating budget for this program is \$1,004,141.00.

Mr. Zeunik stated that line item account 401.0001 General Property Taxes revenue has increased from \$2,383,049.00 in the FY'2008 Adopted Budget to \$2,452,141.00 in the FY'2009 Recommended Budget. This increase is based on the statutory authority to levy a property tax in an amount sufficient to meet the expenses of the County's Risk Management Program.

Mr. Zeunik indicated that one significant change in the budget is in the Personnel Expense. The first is a differential pay adjustment that is available to nurses. Dollars were budgeted into that line item in FY'2009 to cover that expense, which is \$26,000.00.

Mr. Zeunik noted that an additional 0.40 FTE Registered Nurse is recommended in order to insure that medications ordered by the physician are being dispensed by a registered nurse during the third shift in the Adult Jail. In November, 2007, a change in the Nurse Practice Act requires that "A registered professional nurse shall not delegate any nursing activity requiring the specialized knowledge, judgment and skill of a licensed nurse to an unlicensed person, including medication administration." Mr. Zeunik advised that 515.8013 Registered Nurse increases from 0.40 FTE to .084 FTE.

Mr. Zeunik explained that, currently, the County does not staff the third shift in Correctional Health Services, 11:00 p.m. to 7:00 a.m. The County cannot staff third shift seven days a week. By adding the 0.40 FTE Registered Nurse, it is hoped that additional coverage can be provided to staff a nurse available on the third shift to dispense medication to the inmates. Mr. Zeunik added that he does not expect this will be full-time because, generally, the medication can be dispensed, and another dose will not be required until the 7:00 a.m. shift arrives.

Ms. Joan Naour, Director, Correctional Health Services, reported that the goal of staffing the Detention Facility with a nurse at night has been a long-term goal. She noted that it was looked at more seriously because of the change in the Nurse Practice Act. Ms. Naour advised that, in June, they started staffing from 2:00 p.m. to 2:00 a.m. three nights a week with one nurse. She reported that this effort has been successful. Ms. Naour added that it has helped with the workload and has been invaluable to the correctional staff. She indicated that the primary focus, initially, was for the nurse to do health assessments. Now, the correctional staff is also utilizing the nurse for emergencies and new inmates with medical problems.

Mr. Zeunik noted the following changes in Materials and Supplies:

622.0001 Medical/Nursing Supplies, increased from \$500.00 in the FY'2008 Adopted Budget to \$12,010.00 in the FY'2009 Recommended Budget. This increase reflects the actual expenses incurred by Correctional Health Services. Last year's budget amount was based on a proposal to outsource by contract the purchase of all medical supplies and pharmaceuticals, except for the psychotropic drugs ordered by a psychiatrist. Mr. Zeunik advised that, after extensive review by the Correctional Health Services staff and the physician, the decision was made to renegotiate the discounts offered by the current local provider of medical/nursing supplies.

622.0002 Dental Supplies line item account increased from \$1,300.00 in the FY'2008 Adopted Budget to \$1,500.00 in the FY'2009 Recommended Budget. This increase is based on a review of last year's actual expenses and the year-to-date expenses as of the date the Recommended Budget was prepared.

622.0005 Vaccines/Prescriptions/Non-Prescription Medicines line item account increased from \$40,000.00 in the FY'2008 Adopted Budget to \$125,000.00 in the FY'2009 Recommended Budget. This increase reflects the actual expenses incurred by Correctional Health Services. Mr. Zeunik advised that, after extensive review by the Correctional Health Services staff and the physician, the decision was made to renegotiate the discounts offered by the current local provider of vaccines, prescriptions and non-prescription medicines, rather than outsource this by contract.

Ms. Naour indicated that the Vaccines/Prescriptions/Non-Prescription Medicines line item was only budgeted at \$125,000.00. She stated that a first amendment was added to the current contract with the pharmaceutical provider, which should cause a reduction in the bill from 25%-30% in the last half of this year. Ms. Naour noted that it is being monitored carefully and, if it does not work out, there are other contract pharmacies that can provide services for them.

Motion by Rackauskas/Moss to recommend tentative approval of the Tort Judgment Fund – Correctional Health Services – (0135-0077) FY'2009 Recommended Budget as submitted.
Motion carried.

Tort Judgment Risk Management – 0135-0077 can be found on pages 243-246 of the FY'2009 Recommended Budget and pages 37-40 of the Summary. Mr. Zeunik reported that this is the insurance portion of the Tort Judgment Fund. He stated that total budget for FY'2009 is \$1,101,758, which is a decrease of \$56,349.00, or -4.87%.

Mr. Zeunik noted that many of the line items, including all of the Material and Supply line items and Commodity line items are budgeted at the same level as in 2008. He pointed out that, under Contractual, there is an increase in line item account 705.0001 Consultants, which is based on the need to have an actuarial consultant review the case reserves and the adequacy of the case reserves in accordance with GASB 54. This was last done in 2006. Mr. Zeunik noted that the Finance Committee requested that this be done every two years.

Mr. Zeunik pointed out the increases that are being recommended in the regular insurance lines and the self insurance and claims administrations.

Mr. Zeunik advised that 719.0014 Public Officials Bond line item account decreased from \$10,300.00 in the FY'2008 Adopted Budget to \$1,000.00 in the FY'2009 Recommended Budget. This decrease is based on the fact that no County offices are on the consolidated ballot in Fiscal Year 2009. The next election of County-wide elected officials will be in November 2010.

Mr. Zeunik indicated that line item account 999.0001 Transfer to Other Funds decreased from \$125,500.00 in the FY'2008 Adopted Budget to \$109,000.00 in the FY'2009 Recommended Budget. This line item account includes the transfer to the Nursing Home of that portion of the Nursing Home insurance costs that is paid by the Tort Judgment Fund.

Mr. Zeunik noted that the Nursing Home is responsible for paying 25% of its total insurance costs since this is the percentage of private pay patients at the Nursing Home. The private pay patients can be billed for the actual cost per day. Because Medicare and Medicaid do not reimburse 100% of the actual cost, the Board's policy and practice has been to budget the unreimbursed share of the Nursing Home's insurance expense in the Tort Judgment Fund.

Ms. Jennifer Ho, Risk Management, remarked that the Tort Judgment Fund expenses have been consistent even as the County has continued to grow. She indicated that, in her tenure, the County has experienced two insurance cycles, excluding the current situation in the financial market. Ms. Ho noted that the current financial market is brand new territory for everyone as no one has encountered this situation before. She stated that there are no barriers between banking and insurance currently, due to deregulation. Ms. Ho advised that none of the County's carriers have any direct connection with AIG.

Ms. Ho indicated that she will continue to monitor the situation. She noted that the County's outlook is positive.

Ms. Ho reminded the Committee that the Board approved a contract at the September Board meeting with MAXIMUS to conduct a Building Appraisal Service for the County. She advised that MAXIMUS sold off their appraisal services to another company. Ms. Ho stated that she requested that MAXIMUS not sign the contract and return it to the County. She noted that she may have an action item for a Finance Committee Stand-up meeting to consider a new contract or other changes that may need to be undertaken.

Ms. Ho reiterated that the County's Insurance Program has matured in the 15 years that she has been here.

Motion by Clark/Butler to recommend tentative approval of the Tort Judgment Risk Management – (0135-0077) FY'2009 Recommended Budget as submitted.

Motion carried.

Tort Judgment – Civil Division – 0135-0077 can be found on pages 247-248 of the FY'2009 Recommended Budget and pages 41-42 of the Summary. Mr. Zeunik stated that this is the portion of the State's Attorneys Office which is responsible for handling all of the Civil cases, and basically defending the County in all of the lawsuits that are brought against the County. He noted that this is a small budget.

Mr. Zeunik indicated that this budget reflects the two civil attorneys and a legal assistant. The two civil attorneys are Mr. Eric Ruud and Mr. Brian Hug who handle all of the civil matters for the County and defend the County against all litigation that is filed. Mr. Zeunik stated that the budget is primarily a personnel expense.

Mr. Zeunik point out that there is no change in Books and Publications. He noted a small increase in the Administrative Surcharge line which increased from \$7,469.00 to \$7,693.00, which is a 3% increase.

Motion by Moss/Butler to recommend tentative approval of the Tort Judgment – Civil Division – (0135-0077) FY'2009 Recommended Budget as submitted.

Motion carried.

Vice Chairman Owens reminded the Committee that it will be meeting on November 5th at which time the reclassifications will be reviewed. Mr. Zeunik advised that a summary will be available in the agenda packet of all of the reclassifications that have been requested, along with the rationale for the recommended reclassifications and the ones that were not recommended.

Mr. Moss remarked that he appreciated Mr. Kahman's appearance at the meeting. He recognized the letter that Mr. Kahman sent as well.

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There being nothing further to come before the Committee at this time, Vice Chairman Owens adjourned the meeting at 2:50 p.m.

Respectfully submitted,

Judith A. LaCasse
Recording Secretary